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## *Slash Federal Spending: GAO Details Waste, Inefficiency and Duplication (Again)*

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Spending money is like mainlining heroin to politicians. It doesn't matter how often they promise to reform. They just can't quit.

The biggest outlays are Social Security, Medicare, Medicaid, and the Pentagon. Future spending on the first three programs is destined to explode in coming years because of demography (an aging population) and health care cost inflation (ObamaCare exacerbates the problem of third party payment). Yet anyone who suggests even slowing expenditure growth in any of the four risks instant demonization.

The fifth largest category is interest, and will continue to increase as Uncle Sam spends more on other programs, requiring additional borrowing. This outlay also could explode if investors grow less confident in the U.S. economy. Within the decade Uncle Sam could be spending more on interest payments than on the military today.

Legislators prefer to focus on so-called domestic discretionary spending, which makes up less than a fifth of current outlays. Even here Congresses and presidents remain reluctant to make serious cuts. Rather than slaughter the herds of sacred cows which populate Washington D.C., legislators prefer to borrow to preserve the most incompetent bureaucracies and unnecessary programs.

Last year the Government Accountability Office proposed action in 81 categories to reduce waste. Alas, reported GAO last month, only four of the 81, or five percent, have since been resolved. Nothing was done in 17 instances, one-fifth of the total. Legislators did something in 60 of them, or three-quarters, but the result was less than meets the eye, since even a small step counted as “action.”

Overall spending has continued its inexorable rise and most of the programs targeted by GAO continue. The agency felt the need to repeat its search for government waste—which proved to be far too easy. Hence the agency’s 423-page “2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue.”

It is time for some clear-cutting in Washington, and the latest GAO study provides a helpful guide on where to start with “discretionary” outlays. In 32 areas, the agency explained, it “found evidence of duplication, overlap, or fragmentation among federal government programs.” GAO also highlighted 19 areas to save or collect more money.

Good stewardship is the sine qua non of any effort to restore Washington’s fiscal health. Legislators who take peoples’ earnings—especially those who constantly clamor to take more money from more people—have a responsibility to use that money responsibly. Unfortunately, no one in Washington is doing so today.

GAO started with food and agriculture, where its warnings long have been ignored. “For many years, GAO has reported that federal oversight of food safety is fragmented and results in inconsistent oversight, ineffective coordination, and inefficient use of resources,” stated the agency’s latest report. Five years ago GAO “added food safety to its list of high-risk areas that warrant attention by Congress and the executive branch.” Despite last year’s warning, food and agriculture defense policy responsibilities remain “fragmented and cut across at least nine different agencies.”

The Pentagon is concerned about airborne electronic attack, but is spending inefficiently in response. Observed GAO: “All four military services within the Department of Defense are separately acquiring new airborne electronic attack systems.” Outlays from 2007 to 2016 will approach \$18 billion but “With the prospect of slowly growing or flat defense budgets for years to come, the department must get better returns on its weapon system investments and find ways to deliver more capability to the warfighter for less than it has in the past.”

Unfortunately, GAO found that recourse to “the department’s urgent needs processes often lead to multiple entities responding to requests for similar capabilities, resulting in potential duplication of efforts.”

Spending on unmanned aircraft systems is even greater, more than \$37.5 billion from 2012 to 2016. Yet, explained GAO, “Ineffective acquisition practices and collaboration efforts in the Department of Defense unmanned aircraft systems portfolio creates overlap and the potential for duplication among a number of current programs and systems.” The Pentagon “does not prioritize requirements, consider redundancies across proposed programs, or prioritize and analyze capability gaps in a consistent manner.”

As improvised explosive devices turned into the deadliest weapon against U.S. military forces in both Iraq and Afghanistan, DOD poured ever more money—\$60 billion through 2011 for the Joint IED Defeat Organization and Mine Resistant Ambush Protected Task Forces alone—into efforts to counter the threat. Yet the Pentagon has mismanaged this high profile priority: “Without a comprehensive listing of counter-IED initiatives, DOD components may be unaware of the total spectrum of counter-IED efforts within the department, and thereby continue to independently pursue counter-IED efforts that focus on similar technologies and may be duplicative. GAO identified three examples of potential duplication within DOD counter-IED efforts focusing on relatively high-cost areas.”

The Pentagon has spent hundreds of millions of dollars on language and culture training. However, DOD still “needs a more integrated approach to reduce fragmentation in training approaches and overlap in the

content of training products acquired by the military services and other organizations.”

Since 2002 the Departments of State and Defense and U.S. Agency for International Development have spent an incredible \$134 billion to “secure, stabilize, and develop Afghanistan” and for “relief and reconstruction in Iraq.” Unfortunately, these three bureaucracies “face challenges in project evaluation and information sharing which, if not addressed, could result in the potential for unnecessary overlap, wasted resources, and a fragmented approach to U.S. assistance efforts” in GAO’s judgment.

Although the American economy has acted as a natural incubator for entrepreneurship, the Departments of Agriculture, Commerce, and Housing and Urban Development along with the Small Business Administration run 53 programs “that focus on supporting entrepreneurs.” No surprise, according to GAO the result is “overlap and fragmentation” in the more than \$2.5 billion spent annually on financial, government contracting, and technical assistance.

The Department of Transportation spends \$43 billion a year on freight transportation. However, reported GAO, six agencies managed 55 different programs, yet “federal goals in surface transportation are numerous and roles are unclear, and the federal government does not maximize opportunities to promote the efficient movement of freight.” Unfortunately, Uncle Sam’s “fragmented structure makes it difficult to determine the types of freight projects that are funded and their impact on overall freight mobility.”

Nearly 90 percent of the Department of Energy’s nearly \$30 billion annual budget goes to contractors. Much of that money may be wasted. GAO determined that DOE “should assess whether further opportunities could be taken to streamline support functions, estimated to cost over \$5 billion, at its contractor-managed laboratory and nuclear production and testing sites, in light of contractors’ historically fragmented approach to providing these functions.”

Five federal agencies run 21 programs targeted on nuclear proliferation abroad. GAO reported: “none of the existing strategies and plans for coordinating federal efforts to prevent and detect nuclear smuggling and illicit nuclear transfers overseas incorporates all of the desirable characteristics of national strategies. GAO also identified potential fragmentation and overlap among some programs working in this area.”

Uncle Sam spends \$1 billion annually on background checks on federal employees. GAO concluded that the “Office of Management and Budget should take action to prevent agencies from making potentially duplicative investments in electronic case management and adjudication systems.”

At least four different federal bureaucracies maintain significant cybersecurity programs. These initiatives “need better structure, planning, guidance, and coordination to reduce duplication,” according to GAO. The agency also pointed to “multiple governmentwide cybersecurity training efforts.”

Even something as seemingly simple as radio frequency spectrum management is needlessly “fragmented between the Department of Commerce’s National Telecommunications and Information Administration (NTIA) and the Federal Communications Commission (FCC).”

The Departments of Health and Human Services, Defense, and Veterans Affairs collectively spend some \$42 billion annually on health research. Alas, according to GAO “without effective sharing of information among federal agencies about their funding decisions, they may use available funds inefficiently due to duplication of effort.”

The Departments of Defense and Veterans Affairs both care for wounded military personnel. If there is one task Washington should do well, it is treating those injured in its service. Yet, noted GAO, the two departments “need to improve integration across care coordination and case management programs to reduce duplication and better assist servicemembers, veterans, and their families.”

Since 2005 the Justice Department has provided some \$30 billion through 200 grant programs. Three offices alone spend about \$4 billion annually. According to GAO, the Department needs to “improve how it targets” its grants “to reduce the risk of potential unnecessary duplication.”

The Department of Homeland Security has provided nearly \$40 billion in grants over the last decade. GAO pointed to the need for “coordinating application processes; developing measurable capability requirements and evaluation criteria; and eliminating redundant reporting requirements” as well as addressing “overlap among grant recipients, goals, and geographic locations.”

There may be no more obvious waste than paying for the same service twice. Yet GAO found that “Agencies are making duplicate payments for facility risk assessments by completing their own assessments, while also paying the Department of Homeland Security for assessments that the department is not performing.”

According to GAO, last year alone “there were approximately 7,200 investments totaling at least \$79 billion” in information technology. The executive branch needs “to address potentially duplicative information technology investments to avoid investing in unnecessary systems.”

The U.S. government employs nearly 24,000 Americans overseas, but has “made limited progress in reducing the cost of administrative support services overseas. Agencies continue to provide many services independently, despite economies of scale,” said the agency. Nor has the State Department “implemented other cost containment measures.”

One aspect of Uncle Sam’s “war on terrorism” is to help other nations identify fraudulent travel documents. However, noted GAO, “Establishing a formal coordination mechanism could help reduce duplicative activities among seven different entities that are involved in training foreign officials to identify fraudulent travel documents.”

Washington spends some \$25 billion annually on space systems, such as satellites. However, reported GAO, “Fragmented leadership has led to

program challenges and potential duplication in developing multibillion-dollar space systems.” One result is that “no one person or organization is held accountable for balancing governmentwide needs against wants, resolving conflicts and ensuring coordination among the many organizations involved with space acquisitions, and ensuring that resources are directed where they are most needed.”

The Pentagon and NASA plan to spend some \$15 billion on launch services from 2013 to 2017. Yet GAO concluded that “increased collaboration” between the two “could reduce launch contracting duplication” since their efforts “are not formally coordinated, duplicate one another, and may not fully leverage the government’s investment.”

The federal government seeks to reduce diesel emissions, a worthy objective. However, noted GAO: “Fourteen grant and loan programs at the Department of Energy, Department of Transportation, and the Environmental Protection Agency and three tax expenditures fund activities that have the effect of reducing mobile source diesel emissions; enhanced collaboration and performance measurement could improve these fragmented and overlapping programs.”

EPA runs 37 laboratories housed in 170 buildings located in 30 cities. That agency concluded GAO “needs to revise its overall approach to managing its 37 laboratories to address potential overlap and fragmentation and more fully leverage its limited resources.”

The waste just keeps going on and on.

According to GAO there are 94 national initiatives “to foster green building in the nonfederal sector,” meaning not owned or leased by Uncle Sam. Federal agencies should collaborate “on assessing their investments.”

GAO said of Social Security: “Benefit offsets for related programs help reduce the potential for overlapping payments but pose administrative challenges.” Moreover, GAO recommended “examining the benefits and costs of housing programs and tax expenditures that address the same

or similar populations or areas, and potentially consolidating them, could help mitigate overlap and fragmentation and decrease costs.”

The federal government devotes more than \$13 billion annually to 45 programs which underwrite early learning and child care. Warned GAO, better coordination is needed “to mitigate the effects of program fragmentation, simplify children’s access to these services, collect the data necessary to coordinate operation of these programs, and identify and minimize any unwarranted overlap and potential duplication.”

Nine agencies run 50 programs on employing people with disabilities. “Better coordination,” reported GAO, “could help mitigate program fragmentation and overlap, and reduce the potential for duplication or other inefficiencies.”

Thirteen federal bureaucracies spend about \$3 billion a year on 209 programs on science, technology, engineering, and mathematics. Despite these outlays, observed GAO, the U.S. “lacks a strong pipeline of future workers” in these fields and “U.S. students continue to lag behind students” in other nations. The agency suggested that “Strategic planning is needed to better manage overlapping programs across multiple agencies.”

Costing more than \$30 million annually are 56 federal programs run by 20 agencies on financial literacy. Nearly \$140 million a year goes to housing counseling. Unfortunately, concluded GAO, “fragmentation increases the risk of inefficiency and redundancy.”

The agency also identified opportunities for saving money in renegotiating Air Force food service contracts, consolidating DOD headquarters organizations, improving lease payments on underused Pentagon properties, better managing DOD health care, reexamining the military presence in the Pacific, adopting “a more cost-effective acquisition approach for the Navy’s Next Generation Enterprise Network,” ending funding for the Auto Recovery Office (which is supposed to assist “auto communities”), selling off the Department of Energy’s excess uranium, replacing the dollar bill, adjusting Medicare



Advantage payments, better detecting Medicare and Medicaid fraud, delaying acquisition of border surveillance technology, having the Iraqi government pay more for training and equipping its security forces, and reducing disaster spending. The GAO suggested several fee and tax increases as well.

With a \$15 trillion national debt, trillions of dollars in additional budget deficits projected even under the most positive budget and economic assessments for coming years, and more than \$100 trillion in unfunded liabilities for Social Security and Medicare alone, only big cuts in the big programs—Social Security, Medicare, Medicaid, and the Pentagon—will forestall the coming tsunami of red ink. That requires a serious debate over the basic role of the national government.

Still, better targeting existing resources and managing existing programs would make a difference. What conceivable justification is there for 209 federal programs on science, technology, engineering, and mathematics? Before Washington potentates solemnly proclaim the national necessity for more revenue and higher taxes, they should better use the money they already collect. That is likely to happen only if the American people say no more cash for the spendthrifts in both parties who have created today's budget problem.

There is no painless solution to America's looming fiscal crisis. Which means the politics of budget-cutting will remain treacherous. But the answer remains surprisingly easy in principle. Congress should "Just Say No" to more wasteful and unnecessary spending.